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NPTA MANAGEMENT NEWS

November **Highlights** 1983

Zellerbach Reorganizes Operation

The Zellerbach Paper Company has accomplished a sweeping reorganization of its operation creating "business units" to replace traditional departments. (Page 2)

$50 + Billion Electronic Publishing Market?

A study just released by Printing Industries of America states that a "fundamental" change is taking place in how materials are printed and published. (Page 4)

Continued Growth In Disposable Diaper Market

Sales have climbed to nearly 15 billion disposable diapers, 80% of the $2 billion diaper market. (Page 5)

Reliable Paper's Computer Keeps Price Books

An accurate price book is a key asset. The Reliable Paper Company of Milwaukee uses their computer system to stay on top of price changes. (Page 6)

The Future Of Warehousing/Physical Distribution

There are a number of important factors which are changing the way paper is held in inventory and transported to customers. How has warehousing changed, and what will affect the warehouse manager of tomorrow? Statistics from NPTA's recently released Paper Merchant Performance (Page 7), and an in-depth look at this changing area (Page 8) provide insight for paper distributors.

Selling: Inside Out

A two-part series begins this month with a case history demonstrating how sales productivity can be increased using inside people. Next month—adding telemarketing to the system. (Page 10)

Washington Issues

A monthly staple of this publication is its "Washington Watch" which helps paper distributors focus on what they need-to-know about what is going on in our nation's capital. Check the "Important Issues" on page 15.

The Return Of The 39-er's

Bill Goldsword's Young Executive Forum column reveals what the 39-er's are all about, and gives readers on opportunity to respond. (Page 16)

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Route To:

NATIONAL PAPER TRADE ASSOCIATION, Inc.

PAPER TRADE ACTIVITIES

Zellerbach Paper Reorganizes Operation

The Zellerbach Paper Company, headquartered in San Francisco, CA, announced a sweeping reorganization of its operation which is designed to provide a more responsive and entrepreneurial framework for serving its varied customer base. In place of the traditional Printing Paper and Industrial Departments, Zellerbach has formed fully operative business units with responsibility for moving merchandise to the market, including profitability and ROI.

In announcing the reorganization, Zellerbach's new president, Frederick J. Stabbert cited the company's expanding markets and rapidly changing business profile as key factors. "In the past 25 years Zellerbach Paper Company has grown from a western regional paper distributor to a national distribution organization encompassing several key businesses. The objective of this new structure is to permit these businesses to pursue independent strategies that will enable them to function more effective and more profitably."

"We are really not one single business", continued Stabbert, "we're a printing paper merchant business and an industrial distribution business. We are giving our people the structure and organization needed to run these businesses successfully. Additionally, we are also a physical distribution business, whose function is to provide the facilities, warehousing expertise and delivery efficiencies to run our operations cost-effectively."

Each of the new business units will be under the direction of a group vice president reporting directly to Stabbert. The Printing Paper Business Unit is under the supervision of F. Dale Simonsen, the newly appointed Vice President, Printing Papers, and the Industrial Business Unit is headed by Walter G. Woodbury, Vice President, Industrial. In charge of site operations is Philip L. Ferris, Vice President, Physical Distribution. Each business unit maintains divisions in key Zellerbach markets and may share facilities where appropriate.

In addition to the Printing Paper and Industrial Business Units, Zellerbach also operates a wholesale office products business with eight independent Zellerbach Office Products Divisions in the western states, and Stationers Distributing Company in the southern U.S. Group Vice President, Norman H. Wesley, heads this operation.

People In The News

F. Dale Simonsen, formerly Executive Vice President, LaSalle Messinger Paper Company, Broadview, IL, has been named Vice President, Printing Papers, Crown Zellerbach Distribution Group, San Francisco, CA. Simonsen will direct CZ Distribution's Printing Paper Business Unit which includes Zellerbach Paper Company in thirteen western states, Virginia Paper Company, and Southern Paper Company in the southeast.

Ris Paper Company, Inc. announced that **Lloyd O. Hoffman, Jr.** has been named President of the company's Washington Division. He was formerly executive Vice President/ General Manager of the Division.

Mead Merchants in the Michigan Area reported that **John Garavaglia** has retired after more than 46 years with the company. He started in the warehouse and was most recently a buyer and manager of the Industrial Department.

Blake, Moffitt & Towne, Brisbane, CA, announced the appointment of **Michael F. de la Cuesta** as General Merchandising Manager for Printing and Business Papers. Also appointed was **Everett S. Walker** as Controller of the company.

Carolee Calvo has been named Finance Manager of the West Coast Paper Company, Seattle, WA, and **John Bradley** as Controller of Affiliated Operations. **Jim Crum** just celebrated his 25th anniversary with the company.

Wisconsin Tissue Mills has named **Charles Cianciola** as Executive Vice President who will be responsible for sales, marketing personnel, finance and administrative functions.

Frank Slover has been named Director of Corporate Communications for the Georgia-Pacific Corporation. He was previously Corporate Public Relations Manager.

Crown Zellerbach has appointed **Susan Tohbe** as Division Vice President responsible for corporate purchasing and two transportation subsidiaries.

Potsdam Paper Corporation has appointed **William G. Woltjen** to the position of General Sales Manager of the company.

Nekoosa Papers, Inc. has announced the appointment of **Harry G. Brown** as Vice President and Director of Planning.

Carolina Paper Featured

Carolina Paper and Builders Materials, Inc. was featured in the business section of the *Charlotte News* on August 31, 1983. The article describes the company's road back to health when six of the firms managers purchased it in 1976.

The article frequently quotes Carolina's president Walter Lamb. He says that much of the company's success has been due to "good people taking care of inventory and management of accounts receivable."

The employee stock ownership plan helps workers keep their sights on the profitability of the company. The other benefit to them is, according to Mr. Lamb, "input into what's being done in the business. We have had monthly management meetings, annual stockholder meetings, and quarterly open company meetings."

The company operates like a close family. "We've come from being flat on our back," says Mr. Lamb, "to being upright."

Seaman-Patrick Acquires Southon Paper Company

The Seaman-Patrick Paper Company of Detroit, MI has acquired the Southon Paper Company of Kalamazoo, MI, and a majority interest in Paperpoint, Inc. of Kalamazoo and Grand Rapids, MI, and South Bend, IN.

These companies have been merged into Southon Paperpoint, Inc. The new company will continue the fine paper converting operation in Kalamazoo, and the "Cash and Carry" distribution centers in Kalamazoo, Grand Rapids, and South Bend, in addition to expanding fine paper merchant sales in Southwestern Michigan and Northern Indiana.

The new officers of Southon Paperpoint, Inc are: Richard H. Jones, President; Edward Davis, Executive Vice President; John Hart, Vice President; Mike Roschek, Vice President.

Butler Acquires Triquet

Francis G. Walker, President of Butler Paper Company (Great Northern Nekoosa Corporation), announced today that Great Northern Nekoosa had agreed in principal to acquire the assets of Triquet Paper Company, a wholesale paper distributor in Lansing, Michigan, from Maxco, Inc. After the consummation of the transaction such assets will be transferred to the Butler Paper Company.

Walker indicated that the Lansing paper outlet would complement Butler's other area distribution centers in Detroit, Toledo, Fort Wayne, and Chicago, and will help the company improve its service to central and western Michigan.

Butler Paper Company's headquarters are in Denver, Colorado.

Silver Anniversary Plans Announced

The Garden State Paper Trade Association has announced their 25th Anniversary plans which will include a dinner-dance to be held on March 3, 1984 at the Aspen Manor, Parsippany, NJ. President of the Association, Gene Movshin, reported that the initial response has been outstanding, and a large gathering is expected.

Special room rates for those wishing to stay overnight have been arranged. The Association will host a pool party with open bar on Saturday afternoon.

For more information, contact Paul Hirsch, President, J. Liberman Co., Inc.; 201-823-1100.

A New Direct Mail Association

A new industry association devoted to the interests of the mail order industry is close to establishment by more than 20 executives who are referred to as "originators" of the concept. The name tentatively selected for the new organization is Mailing List Users & Suppliers Association, to be known by the acronym ML/USA.

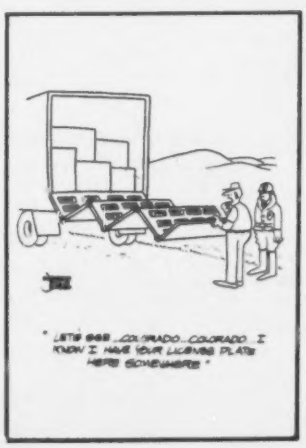
Overseas Paper Available

Intergrated European Printing Paper Mill is interested in developing U.S. Distribution for its Premium #1 Sulfite Coated Paper. Paper distributors wishing more details should contact the NPTA Communications Department.

St. Regis Divests Interest In British Company

St. Regis International Ltd., a wholly-owned subsidiary of St. Regis Corporation, announced that it has agreed to divest its forty percent interest in J.H. Sankey & Son Ltd. of Great Britain, a building materials company.

St. Regis' interest will be acquired by N.C.B. (Ancillaries) Ltd., a wholly-owned subsidiary of the National Coal Board, who is the owner of the remaining sixty percent of Sankey. MN



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MERCHANT BRIEFINGS

PRINTING PAPER

$50+ billion market emerging in electronic technical publishing systems according to PIA study. Between 1983 and 1989, the market for Electronic Technical Publishing systems will climb to over $50 billion. This finding is the highlight of a year-long two-volume study entitled "Electronic Technical Publishing." The research was performed by Inter/Consult, Inc. and Design and Research, Inc. with sponsorship from the Printing Industries of America, Inc. (PIA).

"The advent of Electronic Technical Publishing (ETP) will fundamentally change the methods and economics of producing and distributing almost all the many types of documents which are the life blood of industry" according to Inter/Consult Director David Henry Goodstein. "We are on the verge of a revolution in the way we create, manufacturer and distribute information. The over $200 million worth of venture, public market capital and industrial R & D funding presently dedicated to development of ETP solutions is already resulting in a veritable wave of new products and partners to address the needs of this market."

Electronic Technical Publication systems finally harness the tremendous capabilities of state-of-the-art computer systems for the job of producing complex documents with high quality graphics and typographic quality text. ETP draws from the cornucopia of recent technological advances in processing of data, text, and images, as well as new ways of scanning and recording hard copy. Since ETP systems require integration of numerous different technologies, there has been a serious lack of adequate information on these important market developments, Goodstein added.

For more information, contact Michael Nolan at PIA, 1730 N. Lynn Street, Arlington, VA.

More "printing" being done now on electrostatic copying machines. Rapid development of electrostatic technology has yielded a generation of easy to use and efficient copiers, says the National Association of Printers & Lithographers in a special report.

With the introduction of Xerography in the mid 1970s, "output quality of copiers has improved to the point where it is now comparable to that of offset printing duplicators within limits," the report said. "Although printing on a wide range of coated and uncoated stocks, use of colored inks, and envelope printing is still work for an offset duplicator, copiers can now produce black and white materials up to 11x17" generally deemed comparable to offset quality in image density, bold image coverage and sharpness."

NAPL said there are now over 50,000 electrostatic copier duplicators worldwide, and by 1990 sales of these copiers will equal sales of offset printing duplicators.

"At least 1/3 of the nation's commerical and in-plant printers will change their duplicating systems by the end of the decade," NAPL predicted.

Sharp upturn in '83 outlook for magazines. Many major magagazines are selling more ad pages for the third and fourth quarters than expected. "Something is going on out there," said Carol Taber, associate publisher-ad director of *Working Woman*, "It's difficult to project how wonderful it's going to be," she continued. October will be 44% ahead in ad pages at *Working Woman*, atop a 27.7% increase for the third quarter, which includes a September issue larger than any the magazine has previously published.

"We're feeling very bullish," said Cathleen Black, *New York's* publisher, who expects 1983 to be a record year. So far, pages are about 14% ahead of a year earlier. Even those magazines that are behind last year's levels in pages or revenues are feeling good about the rest of the year.

Power of print. There is a growing concern in graphic arts circles about electronic communication replacing print media. The National Printing Equipment and Supply Association (NPES) has, for some time, run advertisements in magazines such as *Advertising Age* to promote the printed word. Under the banner "Print...A Lasting Impression," the full page ad seeks to thwart the impact of television and radio as advertising media (without directly naming them).

NPES recently called a meeting of Association representatives from all corners of the graphics world to discuss the future of print media (NPTA was represented by John J. Buckley, Jr.). Those in attendance agreed that people are enamored by electronic media, but print is still the most cost effective avenue to get the message out. Consequently, any future campaign efforts should be directed at advertisers and advertising buyers because it is at their direction that money moves from one medium to another. Money talks.

Printing and graphic arts is the seventh largest industry in the United States. It may be true that the industry needs a public relations program to generate continued support, but more importantly it may be possible to increase the market share of print media in the electronic age.

This is just the beginning of a coordinated effort to promote print communications. The Printing Paper Committee of NPTA wishes to have *Management News* readers kept informed of progress made in this area.

Industrial Paper

Disposable diaper market continues to grow. Sales of disposable diapers has more than doubled in the past ten years to stand at almost 15 billion diapers in 1983. The reason for this is twofold: The increasing birth rate and the general acceptance of the disposable diaper in the United States. Today, disposable diapers represented $2 billion in sales—80% of the total diaper market.

To the surprise of many, paper diapers have been around since the 1950's. But, it really was not until the Procter & Gamble campaign of the mid-sixties that convinced the public that disposables were preferable, cheaper and more convenient then sending cotton diapers out for service or washing them at home. "Pampers was one of the great innovations in the classic definition of filling the customer's needs," said Jack Salzman, who analyzes Procter & Gamble for Smith, Barney Harris Upham & Co.

It is clear today that disposables are preferred. Look at the evidence in the New York metropolitan area alone. Sales of disposables amounted to $95 million last year, 5% of total U.S. Supermarket sales, according to Bob Wunderle, economist for Supermarkets General. Diaper services have been cut-back severely. From more than 400 services nationwide in the mid-1960s, about 200 remain. In the New York area, there are but a few services still in existence.

Diaper services are catering to a small special interest group, but the predominant mass appeal of disposables continues to erode the market share of cloth diapers.

Survey of usage of disposables. The findings of a single service study, conducted by the Bureau of Foodservice Research of *Restaurants & Institutions* magazine, revealed that, on the average, operators spend 39.5% of their total tabletop dollar purchases for disposables of all types: 60.5% for permanentware. In the disposables category, 59% of the dollars spent go for tableware items (for convenience and saving labor).

Should you add postal services to your outlet store? Two 7-Eleven stores, both in San Diego County, are offering U.S. Postal Service—everything from post office boxes to Express Mail. And though 7-Eleven's parent, Southland Corp. of Dallas, says the two stations are isolated experiments and a "community service," it also notes that franchise owners have the option to open such stations if they choose to.

If the postal services generate increased sales in the two stores, other franchises might well follow suit. so far, the Rancho Penasquitos 7-Eleven store reports that sales are up between 5% and 6% since May, when it began offering postal service. The 7-Eleven is the only post office in town, however. It costs each store about $12,000 a year to operate its postal service.

Industrial Direct Mail. Do you use direct mail advertising to promote your company's products? Have your efforts been well received? Herb Ahrend, a creative genius who has won 45 national awards for campaigns for NCR, 3M, and many other companies, provides the following tips to success in industrial direct mail:

1. Industrial buyers are sophisticated buyers. They want to know *why* you believe they should prefer your widget. You must tell them fully and honestly, but that does not mean pompously or dully.
2. Remember that they are humans, and are, therefore, subject to the same emotions, and to appropriate emotional appeals during business hours.
3. The operative word above is "appropriate," for the purchase of a widget involves personal factors as prestige and risk. Your copy must offer reassurance.
4. Dig in before you begin to write. Start with the process of manufacture of the widget. Find a feature which can be dramatized in terms which are meaningful to the buyer. The more facts you uncover, the easier your writing task will become.
5. Cast your sales story in logical sequence from the reader's point of view.
6. Provide specific, believable evidence to back up every claim. Case histories in the customer's own words are the best type of proof.
7. Ask for the action you want, and, make it easy for the reader to take that action.

A Big Year For Anniversaries... 1983 saw the 100th Anniversary of the paper grocery bag, the 75th Anniversary of the disposable drinking cup, and now it has been revealed — the 50th Anniversary of the six-pack carton!

In September, 1933, the six-pack emerged as a new consumer package used by the nation's brewers. Previously beer had been packaged in twenty-four bottle cases until the six-pack was introduced by Pabst and other mid-west brewers, according to a recent report in *Forbes* magazine. Today, paperboard beverage carriers account for more than 9% of the $3 billion market for paperboard packaging.

Reliable Paper Guarantees Price Book

Customized Software Provides Customers With Current Prices at Low Cost

Reliable Paper Company in Milwaukee is utilizing its in-house; computer to stay on top of the steady stream of price changes and new product offerings from suppliers. An accurate price book is an asset to Reliable in terms of efficiency and reduced overhead, as well as being a selling tool. It benefits Reliable's customers who can use the book as more than just a reference guide for sizes and colors.

The system utilizes a letter perfect printer to produce camera-ready copy suitable for offset printing. Price changes require only the new base cost be entered, so revised pages can literally be ready for the printer on the same day they are received.

The price book system is one of the key results of a data processing upgrade begun three years ago. A complete paper oriented software package was purchased from Distribix, Inc. of St. Louis, and installed on an IBM System 34. The software included all of the standard packages such as General Ledger, Accounts Payable, Accounts Receivable, plus special Order Entry/Billing and Inventory Control systems designed specifically for the paper merchant. But, "a price book system was crucial to our decision to purchase the software" says Philip K. Harvey, President of Reliable. Since the start-up, Reliable has become totally independent of outside data processing support. Each of the packages, including the Price Book system, has been tailored to match Reliable's operations and new areas, such as a Key Customer system and Word Processing have been added.

Once a given product section has been assigned a bracket heading code, a set of markups, and a page number, the programs take over to compute the price for each bracket and add underlining and spacing to create the finished page. To further enhance the look, a feature of the letter-perfect printer, a NEC Spinwriter 5500Q, known as "shadow printing" is utilized.

Special characters formatted into the output key the printer to overstrike chosen sections of text, moving the print head 1/120th of an inch between strokes to form bold characters. This extra definition gives the book more of a typeset look. Another valuable feature of the printer is its ability to use cut sheets fed from a paper tray rather than being restricted to continuous forms. Reliable can use paper right out of the warehouse both for the printing of price book pages and for output from the word processor.

As previously mentioned, price changes require only a change to the base cost for each grade and weight affected. The computer then automatically generates both sheets necessary to reprint the revised page. The pages can be produced and taken to the printer in time to be available on the effective date of a price increase.

All of the index pages, cutting and drilling schedules, a roster and terms of sale are produced on the word processor and can be reprinted as needed. The word processor is actually purchased software which runs on the System 34 using the same CRTs and printer.

Inventory base costs are updated on the date the changes become effective by using programs provided with the inventory system. The price book and inventory are directly tied into Reliable's on-line inquiry programs allowing customer service and sales personnel to call up an individual item's quantity on hand, quantity on order, cost, and pricing both per cwt and per thousand sheets. This effectively answers the two most often asked questions in customer service: "Do you have it?", and "How much is it?".

Another example of integrating the price book into other systems is the daily inventory reports. Reliable sorts its Stock Status Report into the same tabs used in the price book i.e.: Coated, Uncoated, Text, Bond, etc. This uniformity reduces the time needed for look-ups in either book and is even available when accessing information on the CRT.

Reliable uses six terminals and two printers for entering and retrieving data at it's Milwaukee location and has a CRT and printer communicating via telephone from its subsidiaries, Combined Packaging of Appleton, Wisconsin and Harvey Paper Company of Dallas, Texas.

"We feel that our computer system gives us the tools to serve our market and the capacity to grow without excessive increases in overhead." states Mr. Harvey. "The price book performs in both areas; delivering the information our customers need while holding down the cost of providing it."

MANAGEMENT INFORMATION

Warehousing Opportunities in the Mid-Eighties

As the paper distribution industry moves into the mid-80s and beyond, no area of merchant operations will be the focus of more attention than inventory management. Increased customer demands, expanded computer capabilities and continued high interest rates and labor costs, are a few of the reasons for this review of systems and procedures.

Paper merchants will be expected to provide better service levels, but not raise the inventory investment above its 1982 levels of 33%-37% of company current assets. The subject of inventory management can be approached from many directions.

Improvements in computer software and applications will be a significant factor in inventory management changes. The development and use of inventory evaluation measures, such as Turn/Earn* and Gross Margin Return on Inventory* will also aid in management changes. A trend toward evaluation of customer and supplier profitability will also have an impact on inventory management decisions.

Physical distribution costs and productivity levels have an effect on total inventory costs. A few selected warehouse productivity measures taken from the 1982 Performance Analysis Report (PAR) are listed below.

Of the three types of paper merchants (printing, industrial, and dual), industrial merchants seem to rely the most heavily on their warehouses. In their case, over 82% of the total sales come from stock. They also have the highest warehouse productivity of the group.

While these industrial figures look good, there is still the need for tremendous increases in warehouse efficiencies. Why? They must compete successfully with other types of wholesaler distribution, such as food and hospital suppliers.

In order to compete effectively, paper merchants must continue to be the excellent merchandisers and sales representatives they are, but they must also become better distributors. They must be merchants who use the latest techniques of inventory management and warehousing procedures. Paper merchants could learn much about physical distribution and inventory control from drug wholesalers and food distributors.

A recent study of *Future Trends in Wholesale Distribution* published by the National Association of Wholesalers (NAW), reported that by 1990, 50% of all wholesalers will be using flow racks, conveyors and automated inventory control terminals. In addition, 25% will be using high stackers and scanning equipment. Paper merchants will have to move quickly into these areas of automation if they are to match these figures.

A major step toward improved operations will be the use of alpha/numeric bar coding systems. Food service papers have been marked with the universal product code. The Department of Defense and the Government Accounting Office have adopted a plan that will require a standardized, three inter-leaf system to be used on all printing paper sold to those agencies. Paper merchants/distributors must be able to respond and adapt to these changes.

In order to meet these new warehousing challenges, new skills for warehouse employees will be needed. As is true in all parts of the business, there will be the need for more sophisticated, well-trained employees. Warehouse operations and maintenance skills will become more important. Computer terminal usage and data processing skills will also become more critical.

Many people who have studied wholesale distribution and paper distribution agree that fixed assets will be deployed to the warehouse in the form of mechanized equipment, storage systems and computers. There will be a little demand to greatly expand the number of bricks-and-mortar warehouses. Regional and centralized warehousing, where all products are not stocked equally at all locations, and electronic branching, the use of telemarketing and computers will handle most of the industry expansion. During the next seven years, warehousing will come under close inspection and will be challenged to be more professional and efficient.

1982 Physical Operations Productivity Based On 1982 PAR Results
(Median Values)

	Your Firm	Printing	Industrial	Dual
Warehouse* Sales % Of Total Sales		55.4	82.2	72.5
Warehouse Gross Profit Per Warehouse Employee ($000)		202.6	245.8	211.8
Warehouse Payroll % of Gross Profit		9.1	5.9	7.4
Warehouse Payroll Per Warehouse Order ($)		7.38	3.15	5.02
Avg. Daily Warehouse Order Per Warehouse Employee		10.4	19.3	12.9
Avg. Daily Warehouse Lines Filled Per Warehouse Employee		21.3	68.7	33.4
Avg. Warehouse Order Size ($)		355.48	226.11	290.42

*All Warehouse Includes Warehouse & Indirect

*Complete explanation of these terms can be found in *Effective Financial Management* by Dr. Peter Mullins. MN

The Future of Warehousing/ Physical Distribution of Paper

Improvements In Communications Will Help Merchants Do More With Less Inventory

"Every time there is a shortage of space in the warehouse, however temporary it may be, someone will say that you need a new or large building." This quote, originally published in 1965 by the NPTA in the *Paper Merchant's Guide to Warehouse Operations* is as true today as ever. But the pressing space and usage problems which face paper distribution warehousing has come under close inspection in the past few years. Economic conditions in a tight market forced merchants to do more with less — squeezing more product into existing space and utilizing every square foot more productively.

Productivity improvements in the "mechanics" of distribution can be seen in most wholesale operations. The accent on physical distribution has increased the merchant's ability to service his customers. After all, that is what the distributor is all about.

Warehousing goods is a universal concern in many wholesale businesses. Today's paper distributor is seeking better ways to handle and store his products. There are at least five external factors which promise to create a whole new ball game in warehousing, says the *Warehousing and Physical Distribution Productivity Report.*

Economic Impacts To Be Considered

Coming up for the rest of this decade, and beyond, paper distributors will feel the impact of the following broad-ranging factors:

1. The continued and accelerating pace of deregulation of all kinds of transportation services.
2. Scarcity and/or high cost of fuel.
3. Scarcity and/or high cost of money.
4. A pervasive and worldwide economic dislocation.
5. The second industrial revolution.

Deregulation And Its Impact

It has only been since 1980 that the country began to deregulate the transport of goods. In Washington, both sides of the isle supported the legislation, and even some common carriers. The real opposition has been the transportation unions.

Some feel that deregulation is only a "fad" and so will pass. It now appears that this is a growing trend, and with its momentum, will sweep away other regulatory agencies. There are predictions now, says the *Productivity Report,* that the ICC, the Federal Maritime Commission, and the Civil Aeronautics Board may disappear.

Fuel In Our Future

There is no question that petroleum will be the dominant fuel source long into the future. Although there have been a few technological breakthroughs recently, it is safe to say the petroleum will be running your trucks for many years to come.

The best evidence of a trend to count on is the improvement in fuel effi-

ciency. The savings will be relative, though based on possible future price increases of fuel. The stabilization of fuel prices over the past twenty-four months may be giving us a false sense of security.

Will there be shortages in the future? It's hard to say, but one thing is certain: Since the problems which faced the United States in the middle east in the seventies, this country has severely reduced its dependence on oil from that region. From a position of being our number one supplier, the Persian gulf states have now dropped to sixth, and our own generation of fuel has improved from 20% to 50% of our daily needs. The possibility of shortage has been significantly reduced.

Economic Impacts

The cost of money is still high compared with the price of other commodities. Experts agree that we must get interest rates down, and keep them down.

Because double digit interest rates have been around for so long, no one is predicting an end to them. The important thing to keep in mind is that what we are experiencing in the United States is part of a world-wide situation. Although the economy is now heating-up for paper distributors, some feel that we are in for a long term of less-than-satisfactory growth.

Technology and Distribution

The American Industrial scene is changing. The decline in "smoke-stack" industries and a shift to the service sector is creating new high technology businesses.

The fallout from this shift is seen in many areas, not the least of which is people. Your new personnel coming in are increasingly "displaced" persons. The burden falls on the hiring company to select the right person for the job and train him.

How Will Paper Distributors Be Affected

Given the discussion above, paper merchants must be aware of how their individual business will be affected. Looking specifically at the physical distribution of paper, distributors *must* be able to answer a number of key questions:

1. **Do you need more warehouse locations?** There is no one answer, of course, but a number of factors should be considered. The pressures of high priced money is forcing reductions in inventory. The important question to answer for your company is can you manage your business with a lower inventory level?

Improvements in communications technology will allow the merchant to do more with less inventory. A reliable information system and real-time inventory control will give the merchant up-to-the-minute data. For example, he will know how many cases of a particular product are on the floor of the warehouse **this minute** (including deductions for shipments which left the warehouse thirty minutes ago), and new stock arriving at the loading dock.

In opposition to reduction of inventory, or doing-more-with-less through better control, the growth made for your company may still be in adding new warehouse locations, or satellite stations. Increasing service to a larger geographic area may require more inventory.

2. **Should you lease or own your warehouse space?** The ownership of a warehouse usually gives the company a built-in way to keep pace with inflation. His investment will increase in value, and in fact, since World War II, industrial real estate value has run ahead of the cost of living. Some say that the big real estate gains of the past may be over, and ownership of warehouse space may be less attractive. The reason given for this is that in many cities there is more empty warehouse space than ever before.

There are now tax incentives to fix-up older buildings. The cost/benefit of repairing and inhabiting an older warehouse compared with building a new one at the current per square foot cost is considerable.

If you lease, you may want to consider a short term arrangement (less than three years). This avoids the need to capitalize the value of the lease on your company's balance sheet. There are some attractive short term leases available today because of the "soft" real estate market. But one thing must be remembered: Three years is not much price protection.

3. **Should you change your warehouse design?** For one thing, rail dock space for many paper distributors has become less important. Some transportation futurists predict the demise of the boxcar, being totally replaced with piggybacks. Solution? Fill in your rail pit and add new floor space to your warehouse. Or, use it for long-term, dead storage.

As tonage moves to trucks, will you have enough doors to accommodate the traffic? In any new construction, it is suggested that a dropped footer be included along the *entire wall* planned for truck activity. This will allow you to add more dock space as needed.

New truck dimensions may play havoc with your existing door space. As truck bodies change, you may find that your doors are too small.

4. **What will affect site selection for a warehouse?** The two factors that must be considered are market and population as you look into the future. National and local population shifts move both people and businesses around. Have your existing facilities been deserted by the population which moved to the suburbs?

Considerations also to keep in mind are backhaul availability, access to independent truckers, nearness to highways and major business areas.

There are many factors impacting on the warehousing and physical distribution of paper and allied products. The trends discussed are by no means certain to continue. As the world and national economy changes, as the needs of your customers change, so too will the distribution of paper and its associated products.

Selling: Inside Out

Part I: Increasing Sales Productivity

Part one of this article will explore the issue of outside salespeople giving up some of their accounts coupled with the importance of an expanded role for the inside order desk. Jacques St. Pierre, Vice President and General Manager of J.B. Rolland Paper Company in Montreal outlines his company's experience with the new marketing approach of selling through their inside sales people.

In part two, Ed Mazer, President of Standard Paper and Merchandise Company of Springfield, MA. describes how his Qantel Distributor Package system has integrated telemarketing and the computer.

Introduction

Paper Distributors across the nation have historically operated with the philosophy that all outside accounts worthy of attention should be called on only by outside salespeople. This meant that, whereas sales calls vary in productivity and profitability (based on the account's potential), outside salespeople could actually waste their time by continuing to call on all of their customers.

While costs in many areas are stabilizing, Milt Cotter, President of Profiles International determined through surveyes that overall outside sales costs are *not* declining. "They are, in fact, gradually rising. Good salespeople—those willing to follow an employer's guidelines, procedures and sales techniques—are still hard to find and competitive bidding continues to search for the "best people" to produce outstanding sales. Which is, of course, reflected in the constantly rising costs of outside sales," states Mr. Cotter.

The outside salesperson is rightfully most concerned with profits earned. By holding onto unproductive small accounts he is not making the best use of his time.

The sales manager should be in the position of determining whether customers are to be called on by either the inside or outside sales personnel. Mr. Cotter further notes that a thorough analysis of potential, actual sales volumes and sales costs allows the development of a "Call Plan Grid." Customers in the Grid will fall into one of three categories: 1. Handled exclusively by outside sales, 2. Handled exclusively by inside sales, or, 3. Handled by a reduced number of outside sales calls with inside sales calls between visits.

St. Pierre on Sales

Our company is competing with other wholesalers in the market area for the distribution of fine paper and industrial paper products. The major clients of our industry are obviously printers and consumers.

In order to stimulate the sales of our products, we, as fine paper and industrial paper products distributors have a very limited choice of marketing strategies.

First, there is almost no product differentiation. The companies must carry a sufficient amount of stock to maintain the desired service levels to their customers.

Second, price is a very critical factor. Since the products and prices are usually similar from one distributor to another, the customer services, which includes same day delivery, become very important.

Finally, the products, the prices and services being similar, a significant portion of the business is based on human relations which exist between the client and the salesperson—outside or inside. The salesperson's role requires him to establish close links to his clients, thus becoming very important.

To encourage growth of sales and market, we developed promotional programs and motivational techniques for our sales people. However, the increasing costs of sales calls led us to review and analyze the productivity of our salespeople, sales call profitability, and revalue our marketing strategies. We measured the sales call cost in relation to sales and gross profit per account that it generated. We implemented time and territory management techniques to insure maximization of effort by the sales staff and assure maximum profit contribution per sales call.

For sales call profitability, we broke down our sales and clients by the amount of their purchases, by determining their potentials, and profit contribution. After measuring profit generated per sales call, we then decided whether it was justified to continue servicing small accounts with an outside salesperson.

We transferred all those accounts with insufficient sales volume and gross profit to inside sales people. Each of our inside sales people was given a list of customers for which he was responsible.

We organized telephone calling as a way to promote sales to these accounts. To do this, we graduated our order desk clerks to inside salespeople. We trained those selected to use the phone to make sales calls and also to use incoming sales to promote products as "ADD ON" sales to customers orders. We set up product promotional programs, clear-out lists, and motivated our people through incentives to sell those products or open up new accounts. As an example, here are a few of our promotional and incentive programs:—

1. Rationalization of our stocking inventory through substitution of equivalent products. The incentive was 15% of the gross profit on each sale and a 5% contribution of the gross into a *pot* to be distributed equally among our sales supervisors and marketing personnel.
2. Clearance of obsolete items or

excessive stocking items through a price reduction. The incentive was 5% of the sales.
3. Promotion of certain exclusive lines or featured products. The incentive was 2% of the sales. Half of the incentive was backed up by the supplier.
4. Promotion of sales to potential accounts or to new accounts. The incentive was 3% on first sales booked.

On regular business generated through the inside sales clerk, we give an average one per cent of the sales.

Incentive earnings over the base salary of our inside salespeople are paid monthly. Last year, they received on an average 15% to 20% additional revenue.

Not only did we generate additional sales, but, depending on the programs, we were able to reduce inventory, promote products with higher profits, found new business with new accounts, and through the interests of our inside sales personnel, gave better service and a higher quality image of the firm.

Our inside salespeople all have additional revenues and challenge. Their efforts are recognized immediately by the extra money they get every month. But most of all, we increased productivity and profit.

The one thing that works is to make your plan simple, attractive and fair.

Chairman's Corner

LIONEL ELTIS
NPTA's Chairman of the Board

Productivity

You can plow 40 acres with a mule and break your back, or you can plow 40 acres with a tractor and do it better, faster, easier, and much more efficiently. Merchants attempt to keep their salespeople out in the field working all day, every day. If a salesperson works all day, every day without a plan, he will be like a 3 year old child lost in the wilderness. He wanders around with no particular place to go, and when he gets there, he doesn't know what to do. We must teach our salespeople how to plan their day, week and month's activities. Then we must supervise that plan to see that it is followed. Unless we do this, we are never going to get the maximum productivity out of our salespeople.

Sales training encompasses many programs. I personally believe that developing the personal traits of our salesforce is most important. We must guide them in the proper dress, how to make a cold call, how to meet a customer, how to make a presentation and ask for the order, and when to say "thank you" and leave.

I also believe that utilizing our mill men to impart product knowledge is absolutely essential.

We must do this on a constant basis in order to carry on an efficient sales training program. All of this is good, but unless our salespeople know where they are going and who they are going to call on, they are not going to be successful. They must also have done their homework and put their samples and presentation in order to be effective in the field.

One of the benefits of your NPTA membership is that your Association is dedicated to helping members increase the productivity of the salesforce. The Education and Training Committee has created a number of programs designed to do just that. Two of the most important programs are the Professional Selling Skills and Managing Time and Territory. These have been created to turn *good* salespeople into *great* salespeople. These and other seminars are available. I urge all of you who wish to increase the productivity of your salesforce to contact NPTA's Education and Training Department for detailed information on available seminars and programs.

Calendar of Events

November

3-6. Print Pacific. Annual regional trade exhibition of Graphic Arts. San Mateo Exposition Center, San Mateo, CA.
15-17. Trends in Paper Distribution Computerization Conference. First-of-its-kind industry event. Houston, TX. Contact NPTA.
13-20. New York Paper Merchants Association, winter meeting and seminar. Jack Tar Village, Puerta Plaza, Dominican Republic.
16. Boston Paper Trade Association holds its fall meeting at the Copley Plaza, Boston, MA.

December

7-8. Paper Merchant Human Resource Development Conference. Learn effective utilization of all company employees and policies. Atlanta, GA. Contact NPTA.

Sales and Time Management Training

Professional Selling Skills III (PSSIII) and Managing Time and Territory III (MTTIII) on-site training may be arranged on an individual company basis. Flexible time and pricing schedules are available. Contact the NPTA Education and Training Department.

The Manager's Notebook

Five Ways To Cut Legal Costs

Legal fees are a necessary business expense. But many small companies pay more than they have to. Rather than overspend, says the National Paperbox & Packaging Association, use these tips to save on legal fees:

1) *Reach an understanding with your lawyer about how you will be charged: a) by the hour; b) flat fee; c) contingent fee.*
2) *Seek the most favorable fee arrangement for each particular case.*
3) *Guarantee a minimum number of hours of work during the year.*
4) *Insist on an itemized statement each month.*
5) *Consult with your lawyer on several matters at one time.*

How's Your Own Productivity?

Want to know? Give yourself a "Personal Productivity Audit." It can be used as a productivity improvement tool for anyone. The questionnaire is processed by computer, and the user receives an individualized five-eight page narrative report which analyzes the time management of the individual. Cost: $50. Contact Robert Moskowitz, Personal Productivity Center, 4741 Larkwood, Woodland Hills, CA 91364; 213-992-4657.

Software Directory Available

The **International Directory of Software** *contains over 5,100 proprietary software packages in 107 categories including distribution management, warehousing, transportation, freight, forwarding, billing, etc. May be ordered with quarterly updates. Contact International Directory of Software, Princeton-Forrestal Center, 101 College Road East, Princeton, NJ 08540; 609-452-8090.*

Banks Still Want Your Business

The Research Institute of America (RIA) reports that preferential terms and extended services are out there, but you may have to do some negotiating. They say that some institutions have become "financial supermarkets" and this has forced banks to be more flexible.
Another reason is the increased cash flow in banking generated by the new money market accounts. Banks just have more money to lend. Deregulation has had an impact on the situation too.
Banks are looking for your business, says RIA, and they may be willing to bargain. You may be able to get a loan for 1.5% above prime or less. There may be other goodies in store, if you ask, like: preapproved line of credit, faster check-clearing, and access to in-bank expertise.

Use A Permanent Diary

A professional, who cannot afford to lose or forget notes and conversations keeps track of everything *in a spiral notebook, says Harold Taylor in* **The Time Management Report.** *It becomes an excellent reference book — a diary of his working life. Here's how he describes it:*
"I have an absolute horror of small slips of paper. I use an 8½ x 11 spiral bound notebook in which I record meetings, instructions, telephone calls, whatever, in chronological order, as the events occur. I keep the notebooks — I am now on number 72 — and on more than one occasion they have proved very valuable indeed. The cardinal rule for the system is never *take a piece of paper out of the notebook for any reason. If you want a copy of the notes in a file, photocopy the page(s) from the notebook. If I am forced to make notes on a piece of paper, at the first opportunity, I tape the loose notes into the notebook."*

PAPER MERCHANT SALES REPORT

SEPTEMBER, 1983

	NPTA REGIONS	SALES PER SELLING DAY SEPTEMBER 1983 -COMPARED TO- SEPTEMBER 1982	SALES PER SELLING DAY SEPTEMBER 1983 -COMPARED TO- AUGUST 1983	SALES PER SELLING DAY 1983 YEAR-TO-DATE -COMPARED TO- 1982 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF SEPTEMBER 1982	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF SEPTEMBER 1983	CALENDAR DAYS' COST* OF ENDING AUGUST INVENTORY 1982	CALENDAR DAYS' COST* OF ENDING AUGUST INVENTORY 1983
INDUSTRIAL	1	+ 2.2%	+ 9.1%	+ 5.0%	39	42	64	--
	2	+12.4%	+ 4.3%	+ 1.8%	37	34	50	55
	3	+10.8%	+ 3.7%	+ 5.9%	34	34	55	64
	4	+14.1%	+ 8.9%	+ 9.6%	36	36	56	53
	5	+ 1.8%	+ 4.9%	+ 2.1%	33	37	65	55
	6	+ 3.1%	+ 2.4%	+ 4.0%	35	38	56	--
	7	+ 3.8%	+ 5.1%	- 0.3%	38	35	56	59
	NY METRO	+ 9.0%	+ 9.5%	+ 9.4%	43	43	--	--
	CHICAGO METRO	+ 9.8%	+12.7%	+ 7.5%	40	37	51	54
	LA METRO	+13.1%	+10.2%	+ 5.0%	45	50	60	53
	US	+ 8.9%	+ 5.9%	+ 5.1%	36	37	56	56
PRINTING	1	+19.5%	+15.9%	+13.7%	51	52	69	--
	2	+14.6%	+11.4%	+ 8.1%	44	44	66	62
	3	+16.7%	+ 5.2%	+11.6%	43	44	82	80
	4	+17.6%	+13.0%	+ 8.0%	43	45	69	75
	5	+17.2%	+12.6%	+10.1%	44	43	76	--
	6	+16.3%	+ 9.6%	+ 4.7%	43	39	66	--
	7	+ 5.7%	+ 9.7%	+ 0.1%	39	43	76	82
	NY METRO	+15.7%	+ 1.9%	+ 9.7%	45	42	72	--
	CHICAGO METRO	+13.8%	+16.9%	+10.5%	45	44	66	--
	LA METRO	+17.3%	+13.2%	+13.5%	37	40	74	69
	US	+16.5%	+10.0%	+ 9.0%	44	43	72	74

*TO CALCULATE MONTHLY INVENTORY TURNOVER, DIVIDE 365 CALENDAR DAYS BY # OF CALENDAR DAYS COST, EG, 365/73 = 5.00x.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC; TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

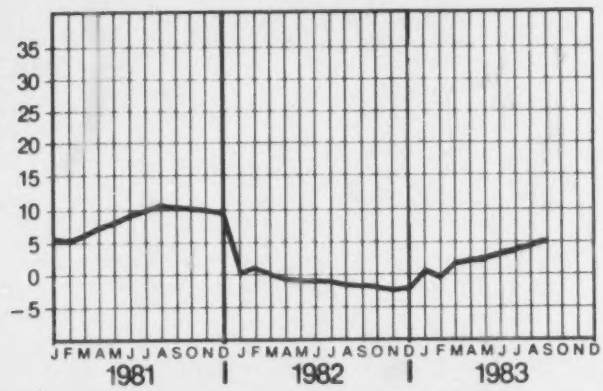
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

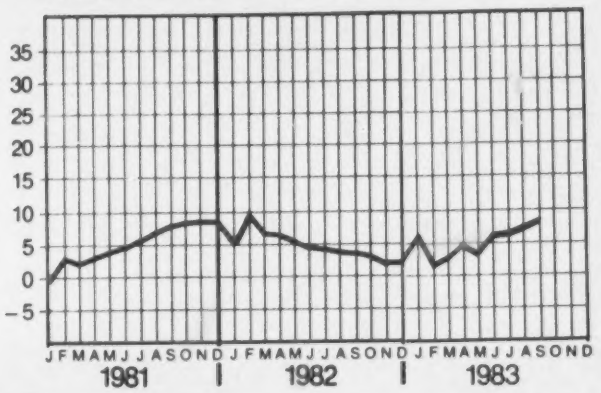
Paper Merchant Sales Report
Summary National Trend Information: 1981 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

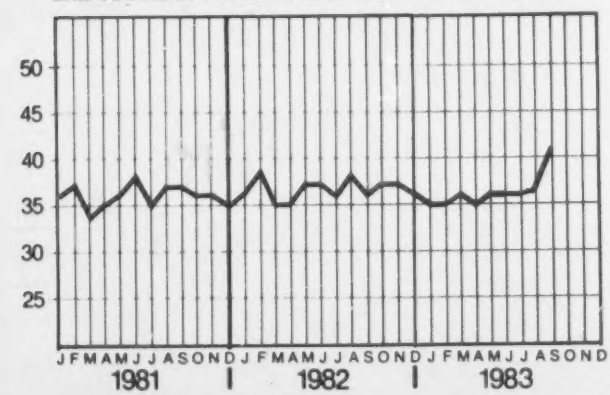


PRINTING PAPER SALES NATIONALLY

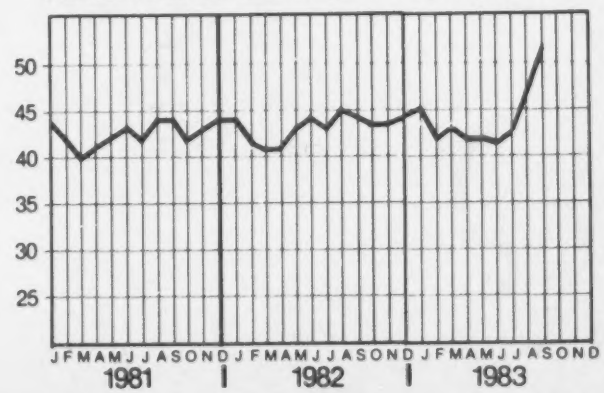


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY

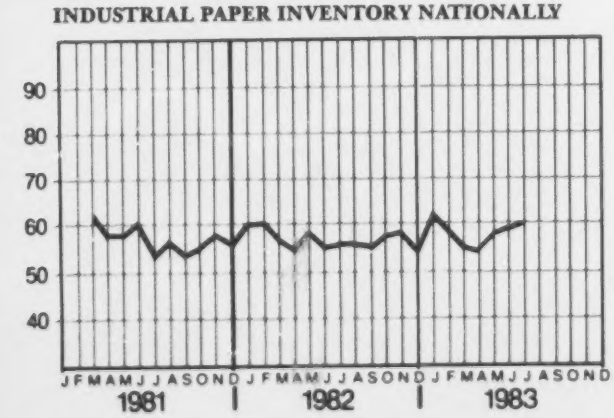


PRINTING PAPER RECEIVABLES NATIONALLY

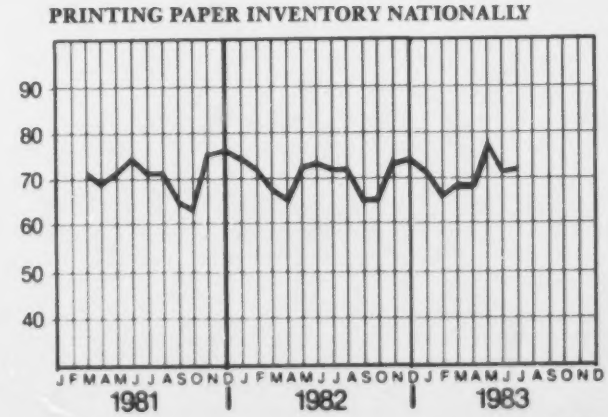


INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



WASHINGTON WATCH

Private Brand Product Labeling and State Regulations

The National Association of Wholesaler-Distributors (NAW) in Washington has looked into the concerns surrounding private brand packaging and labeling. They have found that certain packaging and labeling regulations, promulgated by some states, requiring among other things: (a) the name and address of the manufacturer, packer or distributor and (b) where the commodity is not manufactured by the person whose name appears on the label, the name shall be qualified by a phrase that reveals the connection such person has with the commodity, such as "Manufactured for _____," "Distributed by _____," or any other wording of similar import that expresses the facts.

State Laws and Regulations

The Uniform Deceptive Trade Practices Act has been enacted by at least 12 states (Colorado, Delaware, Georgia, Hawaii, Illinois, Maine, Minnesota, Nebraska, New Mexico, Ohio, Oklahoma and Oregon). It declares that a person is engaged in an unlawful deceptive trade practice when, in the course of his business, vocation or occupation, he (a) passes off goods or services as those of another, or (b) causes likelihood of confusion or misunderstanding as to the source, sponsorship, approval or certification of goods or services.

Many states have enacted "little FTC Acts" patterned after the Federal Trade Commission Act and containing prohibitions against unfair methods of competition an unfair or deceptive acts or practices in intrastate commerce.

Other states may have fair packaging and labeling regulations (similar to those in Oregon), but promulgated by administrative agencies authorized to issue them with respect to a broad class of commodities.

Conclusion

As a safeguard against possible complaints by state regulators, some of whom in the name of "consumer protection" may look for windmills to tilt, manufacturers and distributors who rebox stock, or who sell under their label products manufactured by others, may want to consult legal counsel and at least consider including on their label a statement such as "Manufactured by _____" or Distributed by _____." It could avoid the time, expense and trouble of responding to an even unjustified complaint.

Important Issues

CORPORATE SURTAX — Continues to pop up in congressional discussions. NAW and members of Coalition to Reduce High Effective Tax Rates continue to meet with Members of Congress and staff to disabuse them of their support for surtax or potential support for a surtax. In final stages of a congressional session, the appeal of a surtax gains popularity.

INVENTORY TAXATION (S. 1570; S. 1840 H.R. 3464)—New LIFO simplification bill introduced by Senator Bentsen (D-TX). Hearings on H.R. 3464 in House Small Business Committee October 5. Still looking for hearings in Senate Finance and House Ways and Means. Keep up the mail on this one.

OFFICE MACHINE AND EQUIPMENT DEALERS' ACT (S. 286; H.R. 1159)—NAW written statement for the record at Senate Consumer subcommittee hearings on September 14. The message—opposition to S. 286 in any form. Senator Exon (D-NE), prime sponsor of S. 286, is asking for markup this year, although will more likely occur in 1984. House Commerce Subcommittee markup of H.R. 1159 possible for late October, early November. Strong wholesaler-distributor grassroots effort could be needed.

SALES REPRESENTATIVES PROTECTION ACT (H.R. 797, H.R. 3591)—No change to report. However, if proponents can gain the commitments of enough members of the House Commerce Subcommittee, look for Subcommittee Chairman Florio (D-NJ) to take this to markup. Grassroots efforts by wholesaler-distributors has been good. We must keep the letters coming.

GOVERNMENT PROCUREMENT (S. 338; S. 1746; S. 1730)—NAW SAB out on this encouraging cosponsorship and hearings on S. 1746. This bill is tentatively scheduled for hearings on October 28. NAW will submit comments. Letters from wholesaler-distributors important in generating support for bill. Still no floor action on S. 338 and action on S. 1730 this session is doubtful although hearings in Senate Small Business Committee still a possibility.

STATE PROMPT PAY—New Jersey Governor also vetoed prompt pay bills (New York Governor did it last month). Illinois and Washington, D.C. still considering. Prompt Pay Coalition keeping up the pressure. So far, 26 states have enacted pay legislation (11 in 1983).

SINGLE EMPLOYER PENSION PLAN AMENDMENTS (S. 1227; H.P. 3930)—Senator Don Nickles' (R-OK) Labor Subcommittee has conducted hearings on single employer pension reform and markup is tentatively scheduled for November. In the House, Congressmen Clay (D-MO) and Erlenborn (R-FL), introduced H.R. 3939 on September 19. NAW Counsel reviewing the House bill to determine impact on wholesaler-distributors.

The "39-ers" Have Returned!

By Bill Goldsword
Vice President-Marketing
The Globe Paper Co.
Cleveland, Ohio

Does time seem to be passing you by? Did you discover, as usual, you had overscheduled yourself and couldn't squeeze in the YEF program at last month's convention? You are not alone, but now, because the "39-ers" are here, you may well become the minority.

The "39-ers" are now an integral part of YEF as evidenced by our fine turnout in New York. It is safe to say we will be around for many conventions ahead.

Q. What are the "39-ers" about?
A. To provide continuity within YEF and to act as a bridge to all NPTA activities.
Q. Do I qualify?
A. All NPTA members can attend regardless of age.
Q. But I am over 40 and meant to, but never attended YEF.
A. Doesn't matter.
Q. My son and nephew attend and I thought they wouldn't let me in?
A. They are partners with you in our industry and feel you should be as informed as they. We suggest, out of courtesy, you request a personal invitation.
Q. Where do I sign up?
A. Do it now. Simply clip out the coupon below and mail it today to: NPTA Headquarters.

Editor's Note: Bill Goldsword was the founding chairman of YEF in 1974. He reported that he turned 40 just prior to convention time and that being a "39-er" made no difference at YEF. He "had a great time, learned quite a bit, and re-newed many fine NPTA acquaintances."

Yes, I plan to attend YEF as a "39-er" next year in Chicago.

Yes, send my "39-er"/YEF literature throughout the year.

Name _____

Title _____

Company _____

Address _____

NPTA To Hold Human Resource Conference

NPTA's Education and Training Department is pleased to present *Paper Merchant Human Resource Development Conference*—an action-oriented two-day program of workshops and panel discussions providing practical knowledge and skills to train staff more effectively and develop professional competencies to the level of excellence.

Scheduled for December 7-8, 1983 in Atlanta, Ga., *Paper Merchant Human Resource Development Conference* has been custom designed for paper merchants. Each program in this conference will present new theories and concepts in the fields of marketing management, telemarketing, supervisory training, motivation and communication. Participants will be provided with resources and competencies to carry back to their firms for immediate use. Essential skills and information, plus tangible tools (texts, bibliographies, workbooks, tests and job aids) will be provided.

The faculty for each session has been selected for excellence in experience and training techniques.

For more information and to register, contact the Education and Training Department at 516-829-3070.

NPTA
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Great Neck, New York 11021

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NPTA MANAGEMENT NEWS

December **Highlights** 1983

Six Companies Receive Membership In NPTA

Congratulations to six firms who have just joined the National Paper Trade Association. All members, directors, and staff wish them much success in the coming year. (P.2)

$3 Billion In Quick Printing Sales

A recently released study of the quick printing industry revealed growth projected through 1986. Trends in this business deserve attention. (P.4)

Growth In Foodservice

From a recent report in *Restaurant Business* magazine, the food-service industry has shown a 6.5% increase in 1982 sales. The tabular information shown is excerpted from the "Restaurant Growth Index." (P.5)

Gross Profit Per Employee Data

The key to your compensation plan may be in the analysis of your gross profits per employee. The "Management Information" section details the results of the Performance Analysis Report (PAR) in this area. (P.6)

Quarterly Sales And Profits

Shown in this issue are sales and income for 18 supplier companies. (P.7)

Cost-Effectiveness Approach In The 80's

Cost-effective solutions to problems will be remembered as the hallmark of the 80's. This feature article explores cost-effective decision making in sales, management and executive compensation, as well as hiring. (P.8)

Selling: Inside Out

Part II, and the conclusion, of an article discussing industry selling practices utilizing inside people. A unique telemarketing program using a computer comes into focus in this issue. (P.10)

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HAPPY HOLIDAYS!
- NPTA Staff

Route To:

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_____

_____

_____

News of Paper Trade Activities

Six Companies Receive Membership in NPTA

Congratulations and welcome aboard to these industrial paper companies:

Balpex Inc.
2065 Dundas Street East #203
Mississauga, Ontario
L4X 1M2
Rob Napper, President

Danvers Paper Company
16 Riverside Avenue
Danvers, MA 01923
Leo C. Thibeault, Jr.,
President

Jordan Paper Products Inc.
701 West 23rd Street
Muncie, IN 47302
Nelson Heinrichs, President

Manatee Paper Company
905 Manatee Avenue East
Bradenton, FL 33508
Charles N. Schieb, President

Passaic-Bergen Paper Company, Inc.

Passaic-Bergen Paper Company
33 California Avenue
Paterson, NJ 07503
Robert E. Dunn, President

Shore Paper Company
4100 Poplar Street
Philadelphia, PA 19104
Aaron L. Shore, President

People In The News

Copco Papers, Inc. of Columbus, OH has named **David E. Howell** to the position of Vice President of Sales and Marketing. **Ronald A. Fiehrer** was appointed Vice President and General Manager of the company's Pittsburgh Division; also named was **Clement M. Wolfe** as Vice President and Systems Manager. **Spencer K. White** has become General Manager of the firm's Charleston Division and **Kirk Buckham** was appointed as Manager of Information.

James G. Phillips was elected Vice President, Sales and Marketing at the Reliable Paper Company, Milwaukee, WI. The company also named **Anton Jeras** as Vice President, Operations. **Barry T. Hentz** was appointed Sales Manager, Printing and Publishing Papers, and **Philip Des Jardin** was named Director of Purchasing.

The B.W. Wilson Paper Company, Inc. of Richmond, VA named **James W. Evans** as Branch Manager of its Chesapeake, VA operation.

Virginia Paper Company announced the appointment of **Leslie S. Johnson** to the position of Branch Manager of the Tampa, FL office.

Nationwide Papers appointed **Marshall P. Kendall** as Manager of their Dallas, TX operation.

Jim Bliler has been promoted to Sales Manager of the South Bend, IN branch of Inlander-Steindler Paper Company. **Kent Dennis** was appointed to the position of Operations Manager at that branch. **Terry Larson** was promoted to Operations Manager of the South Beloit, IL branch.

Carl Schorske, retired Sales Manager of George W. Millar, celebrated his 104 birthday on November 15. He began working in the paper business for Lindenmeyer in 1894.

Plastics, Inc., a subsidiary of Anchor Hocking, named **James M. Hendrix** as Eastern Region Sales Manager.

St. Regis Corporation elected **Thomas R. Flack** Vice President Management Information Systems.

Harry G. Brown was named as Vice President and Director of Planning at Great Northern Nekoosa.

Joseph J. Robinson was named Vice President, Marketing Services for International Paper.

Champion International appointed **David R. Brown** as Vice President, Communications.

Simpson Acquires Harding-Jones

The Simpson Paper Company, San Francisco, CA, has purchased the Harding-Jones Paper Company of Middletown, OH. Harding-Jones is a manufacturer of high quality cotton content paper. The company was established in 1865.

Gilman Paper Has New President

William H. Davis has been promoted to the position of President and Chief Operating Officer of Gilman Paper. He was Executive Vice President of the company. Richard P. Haggerty was appointed Executive Vice President. Howard Gilman continues as Chairman of the Board and Chief Executive. Gilman Paper is one of the last privately owned large paper mills in the country.

Paper Spectacular Draws Graphic Artists

San Francisco Bay area graphic designers, art directors, and creative printers jammed into the newly opened "Giftcenter Pavilion" on September 29 to view Blake, Moffitt & Towne's "Paper Spectacular."

For over four hours, members of the Northern California graphic arts community filled what was Blake, Moffitt & Towne's Corporate Headquarters and San Francisco Division for 44 years to pour over displays, and reflect on a bit of San Francisco business history.

Highlighting the gala viewing was Mead Paper Company's 27th Annual Report Show, featuring the corporate world's top annual reports.

Also shown were some of the latest offerings of quality printing papers from several industry leaders. Guests were guided through the various exhibits by BM&T executives and marketing personnel who acquainted them with state-of-the-art products and services being offered to the Bay area graphic arts market.

Scott To Sell Brown Jordan

Scott Paper Company announced that it has reached an agreement in principle to sell its Brown Jordan Division to a group of investors, and that it has sold its Foam Division to Foam Acquisition Corp., a subsidiary of General Felt Industries of Saddle Brook, NJ. Also noted was the company's intention to sell approximately 240,000 acres of timberland in Washington.

"The divestitures," according to Philip E. Lippincott, Scott Chairman and Chief Executive Officer, "are consistent with Scott's key objective of increasing returns to our shareholders. We are pursuing this objective by improving significantly Scott's cost-competitive position in areas that represent the central thrust of our businesses."

GWM Acquires Selig

GWM Industries, Inc. (formerly George W. Millar & Company) of New York City has acquired Selig Paper Company. Selig will operate as a separate division of GWM and will be specializing in all types of pressure sensitive and gummed papers, as well as printing and office papers.

G-P Starts $100M Program

The Georgia-Pacific Corp. board of directors approved a program to convert production to higher-margin paper grades and improved product mix at its Crossett, AR, and Palatka, FL mills.

The company will invest approximately $100 million to convert its unbleached-kraft equipment at Crossett to production of printing paper and bleached board grades, while increasing production capability for unbleached kraft at Palatka, which has more efficient facilities for such grades. The program, which will be completed by the end of 1985, will also result in increased tissue output at both Palatka and Crossett while reducing production of pulp for sale to outside customers at Palatka.

ISP Completes Expansion

Inlander-Steindler Paper Company of Elk Grove Village, IL announced the completion of a major expansion program at both its corporate office and its Elk Grove Distribution Center.

The corporate office space has been doubled to accommodate its marketing, administration, and financial operations. Warehousing space was increased by over 30%. Customer service and purchasing areas at the Elk Grove Village branch were enlarged. MN

NPTA

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MERCHANT BRIEFINGS

PRINTING PAPER

$3 billion in quick printing sales. That was one of the facts just released by Marcom, Inc. which conducted an industry study. The picture of the quick printing business developed in the November issue of *Quick Printing* magazine also showed that the industry employs 60,000 people. The study predicted that quick printing will grow at about 15% in 1983 and continue to grow, but will reach a saturation point by 1985-86. The industry will then be $3.7-4 billion in sales.

The study also noted that there is a growing failure rate of 3-5% and that many geographic areas have already become saturated.

Other important facts revealed by the Marcom study include:

1. Volume and profit differences between the large and small shops have become significant. Average annual sales for the larger shops is about $565,000, compared to average sales of about $175,000 for small to medium size shops. This trend toward a significant disparity between large and small quick printers may accelerate in the next few years.
2. Multi-shop operations are the fastest growing type of operation in the industry.
3. Small business customers predominate as the basic type of organization served by the quick printing industry. Sales to larger companies and selected organizations, such as legal firms, churches, and associations, are significant, particularly among the larger quick printers.
4. Technological changes are occurring in micro-processor hardware/software, laser printer, high-speed copy duplicating and copy-to-plate technology that will affect equipment utilization and quick printing services by 1985.

Observation

As this industry reaches saturation in the next 2-3 years, paper distributors should try to understand how their businesses will be affected. After 1986, quick printing sales may actually decline. As pointed out above, the primary customers of the quick printer are small businesses. These customers are increasingly installing more sophisticated, higher speed duplicating equipment in their own offices. This will mean a possible shifting in cut-size paper sales from the quick printer to his business customers.

Industry groups unite to fight drug abuse. "Drug abuse is one of the most pressing problems facing our children today," stated I. Gregg Van Wert, Executive Vice President of the National Association of Printers and Lithographers. NAPL has joined with the Pharmacists Against Drug Abuse Program to help fight this severe social problem.

The effort is being chaired by Nancy Reagan and co-chaired by Michael Landon and is supported by the National Federation of Parents and the Parents Resources Institute for Drug Education. In order to accomplish their national educational goals, the group is publishing 25 million brochures and 82,000 books entitled the *Pharmacist's Guide To Drug Abuse*. They are seeking donations totaling 22,700 pounds of 60 pound offset opaque or similar grade paper. Anyone wishing to contribute paper to this project should contact the NPTA Communications Department.

Ignorance of technological change in the printing industry. The majority of commercial printers not only know too little about digitization concepts used in the latest high-tech graphic arts equipment, but they also have little idea how these machines will affect their business in the future.

This conclusion was drawn from a recent survey conducted by the National Association of Printers and Lithographers and *American Printer* magazine. The analysis of printer's responses to the survey has been published in an NAPL Special Report titled, "Digital Data Handling: The 'Fourth Wave' of Printing's Technological Revolution." It points out the finding that most printers do not foresee any major changes in their operations resulting from digital technology, and tells why those printers may suffer "future shock" sooner than they expect.

The ten-page report describes the growing digital data trend as the fourth major technological "wave" in the printing industry in the past 25 years (coming after offset lithography, computerized phototypesetting, and wide-spread use of computers) and warns printers not to get "caught napping" by the changes caused by it. The report recommends that printers become familiar with the processes involved, tells of the ways they are being used, and discusses some of the latest practical applications of digitization.

Copies are available to NPTA members at $15 each. Contact the NPTA Communications Department.

Weather service may end own printing. The printing functions of National Weather Service may come to an end, says the Office of Management and Budget and the Government Printing Office in Washington. It is possible that 120 printing plants in agencies around the country may close and 10 incorporated into other government operations. The potential savings could reach $30 million.

INDUSTRIAL PAPER

Restaurant growth and food service. 1982 sales figures showed a 6.5% increase to $133 billion. As large as that number seems, it does not include the real value of military and school feeding, and does not include vended soft drinks and candy. This, according to a lengthy report in *Restaurant Business* magazine (September 15, 1983), is part of the formula used to calculate the "Restaurant Growth Index" (RGI). The Index is used to gain a better understanding of changes taking place in the food-service industry.

Their extensive report breaks down the traditional feeding business into component types. Shown here are the segments which utilize food-service disposables to some degree in their business (the report does not breakout use of disposables). The following is excerpted from the many useful tables which appeared in the Index. MN

Food Service Sales	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth Nominal	1982-1987 % Compound Annual Growth Real
Health Care Market									
Hospital - Internal	7,183	3,240	7.8	7,657	3,454	6.6	10,203	5.9	1.2
Hospital/Nursing Home Contract	902	361	8.4	980	392	8.6	1,418	7.7	2.9
Other Institutions - Internal (*for specialized care including nursing and old age homes, orphanages, etc.*)	2,549	1,612	5.5	2,702	1,708	6.0	3,781	7.0	2.2
Leisure Market									
Theme Parks, Arenas, Stadiums, and Tracks	1,768	635	5.2	1,904	676	7.7	•••	•••	•••
Drive-In Movie Theaters	187	61	12.1	204	66	9.2	•••	•••	•••
Bowling Lanes	547	202	9.2	580	212	6.1	•••	•••	•••
Summer Camps & Hunting Facilities	116	69	1.4	118	71	2.0	•••	•••	•••
Business and Industry									
Contract Feeding In Plants (*Cafeterias Primarily*)	2,300	1,060	8.4	2,259	1,041	-1.8	3,179	7.1	1.8
Contract Feeding in Business Offices	669	308	10.8	708	326	5.9	1,046	8.1	2.8
Internal Feeding - Plants & Business	1,490	722	8.2	1,454	704	-2.4	1,843	4.8	-0.3
Mobile On-Street Catering	496	168	6.2	498	167	0.4	728	7.9	2.6
Retail Market									
Convenience Food Stores	580	191	14.4	649	214	11.9	1,297	14.8	9.2
Separate Eating and Drinking									
Ice Cream, Frozen Custard Stands	1,420	440	10.1	1,525	472	7.4	2,344	9.0	3.6
Bars & Taverns	8,321	3,015	7.0	8,737	3,165	5.0	10,972	4.7	-0.5

••• Insufficient Data

Courtesy Restaurant Business

MANAGEMENT INFORMATION

COMPENSATION MEASURES - 1983 PAR REPORT

(MEDIAN VALUES)

MEASURE	YOUR FIRM	PRINTING	INDUSTRIAL	DUAL
Average Payroll per Employee ($000)		25.6	21.7	24.0
Average Compensation per Employee ($000)		29.7	25.4	28.4
Fringe Benefit per Employee ($000)		4.4	3.3	4.5
Total Payroll % Gross Profit (%)		48.2	56.5	49.9
Total Compensation % Gross Profit (%)		57.0	64.4	60.6
Profit Sharing & Pension & Gross Margin (%)		2.1	2.2	2.9
Other Fringes % Gross Profit (%)		5.6	6.3	6.5
Total Fringes % Gross Profit (%)		7.8	8.3	9.6
Gross Profit per Employee ($000)		53.2	40.8	47.6

Gross Profit Per Employee - The Key To Compensation

Printing Paper merchants have the highest total personnel costs of all types of paper merchants. Industrial merchants have the lowest. In spite of this fact, industrial paper merchants are paying the greatest amount of their gross profit in the form of total payroll.

There could be a few contributing factors to this situation. Industrial merchants could have too many employees, pay them too well, have too little gross profit or any combination of these factors. Based on the numbers reported, it is obvious that employees are not over paid. Because of the higher warehouse order mix, industrial paper merchants have more employees than printing or dual merchants. This could be a problem area.

However, the gross profit dollars generated by the median industrial firm is almost 30% less than printing paper firms, and almost 16% less than dual.

Increased gross profit per employee is the force needed to control personnel costs.

NAPM Paper Report

"Papermaking is presently riding the crest of improving economic conditions," stated the National Association of Purchasing Management *N.A.P.M. Insight*, November, 1983. Their report further showed that business and communication papers were the first to reflect a stronger demand, and that other grades are now following that lead.

Almost all paper grades have had price increases; some showed a return to former published prices, others had additional price increases. Lead times have lengthened and allocation has been evident in some segments.

Coated Papers

Currently, there is heavy demand for all publication grades. Some buyers have had difficulty filling their needs. Backlogs on coated offset grades have extended with longer lead times. Prices have risen.

Uncoated Papers

Business and communication grades have suffered increasing backlogs even though new capacity has been added and many strikes have been settled. Prices have increased.

Paperboard

Backlogs of from 10 days to three weeks were evident for solid bleached sulphate. Price increases in the 5% range have been put in place.

There has been firm demand for recycled paperboard and lead times have not lengthened. Some price increases have been announced.

There has been strong demand for linerboard. Prices have increased, but have not returned to 1981 levels.

Kraft Papers

Lead times and prices have been stable for northern natural kraft MF and MG specialty papers.

Supplier Report

James River Restructures Debt

The James River Corporation announced that it had completed the restructuring of its $525 million of debt and credit lines.

The company said that the revamping included the exchange of $39 million of preferred stock in a subsidiary for James River preferred stock, the conversion of $11.1 million of the company's preferred stock, and the redemption of $5 million of convertible preferred stock.

The company also completed the private placement of $55 million of new long-term debt having a rate of 12.25%, a term of 15 years and a 5 year moratorium on principal repayment, and that the debt replaces bank revolving credit. James River also achieved an agreement with a group of banks which will provide the company with new revolving credit and term loan agreements totaling $245 million at variable interest rates which are currently below the prime.

QUARTERLY SALES AND PROFITS

Company	Sales ($000)	Change from '82 (%)	Net Income ($000)	Change from '82 (%)
Clevepak Corp.	97,914	302	3,960[1]	317[2]
Clopay Corp.	32,154	14	779	6
Domtar Inc.	480,700	17	13,900[3]	-[4]
Fort Howard Paper	224,490	49	29,410	18
Georgia-Pacific	1,709,000	20	3,000	-88[5]
Kimberly-Clark	801,800	8	43,500	-19
Louisiana-Pacific	273,660	20	4,410	578
3M	1,801,000	7	178,000	5
Nashua Corp.	136,968	7	2,460[6]	-[7]
Pentair, Inc.	73,100	11	2,900	12
Potlatch Corp.	231,000	9	10,800	184
St. Regis Corp.	729,125	14	18,764	-63[8]
Scott Paper Co.	610,435	6	36,124	61
Sealed Air	27,835	33	2,035	136
Southwest Forest Ind.	192,475	19	Net Loss	
Stone Container	138,226	32	1,725	-15
Union Camp	469,076	25	34,541	20
Weyerhaeuser Co.	1,251,860	22	53,198	72[9]

[1] Includes income from discontinued operations of $532,000 and gains on the disposal of discontinued operations of $3,259,000.

[2] Same quarter '82 included income from discontinued operations of $1,260,000 and a loss of $333,000 on the disposal of discontinued operations.

[3] After a loss of $2.7 million on the sale of facilities.

[4] There was a net loss from a plant closing in '82.

[5] '82 included a gain of $27 million from the exchange of securities and an accounting adjustment.

[6] Includes tax credits of $2,219,000.

[7] There was a net loss in '82 period.

[8] Affected by the $38,000,000 in pre-tax proceeds from the sale of accelerated depreciation tax benefits as well as a negative income tax provision in first 9 months of '82.

[9] Includes an extraordinary credit in '82 of $5,700,000 resulting from a reduction of losses attributable to the 1980 eruption of Mount St. Helens, and a gain of $45,106,106 from the effect of an accounting change.

Combined News Sources: *NY Times* and Company Releases

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It helps us understand where we are to look at where we have been. In the 40's and 50's, the United States was a nation of upwardly mobile people, says Florence Skelley, President of Yankelovich, Skelley and White. Material possessions gave people stature. The 60's ushered in a "fix-it" thrust aimed at remedying the adverse effects of industrialization and technology. An idealized "return to nature" put the accent on the environment. As the 70's came on us, the focus shifted to the self. The "me" generation spawned a $3 billion introspection industry.

By the end of the 70's, there was a growing recognition that our nation's infra-structure was deteriorating. As unemployment grew and productivity fell, the feeling that total solutions to these massive problems may not be possible. But, **cost-effective solutions** to individual problems could be the answer for the 80's. There came a resurgence of competition, planning, and an accent on knowing people and their needs better, both employees and customers. The 80's will certainly be remembered for leading us into making cost-effective decisions which will help businesses to grow through the rest of the decade.

Cost-Effective Sales Representative Compensation

Sales representative compensation, which was the topic of a recent NPTA seminar at the Annual Convention, is a challenge to paper distribution management in the 80's. David Critelli of Hewitt Associates pointed out that the "full compensation" plan is the standard in the paper distribution industry. It works out to approximately 30-33% of gross profits, no car is provided; and the industry is light on benefits. Salary plus commission is less popular.

When the nature of the product is commodity, price competition is strong, and customer loyalty is to the sales rep, the industry usually adopts a high commission plan. But will that prove to be cost-effective in the paper industry in the future? Critelli says it depends on the possible changing relationship between management and the sales rep. If a "team" concept can be fostered, then it will cut down on the "we-they" relationship. As the sales person is viewed less as an independent agent and more as an employee, things begin to happen.

Loyalty, trust, and respect grow in this new relationship and so does compensation. "You do not want your sales representatives to walk away with your customers," Critelli says. Unfortunately, "it is pressures such as these that cause everyone to maintain the industry standard."

Cost-Effective Management Competition

"The best managers are entrepreneurial managers," says Claude Kordus of Hewitt Associates. The most cost-effective way to keep and compensate managers is to give them a "piece of the action." The smaller family owned businesses have a difficulty with this.

Kordus provides new thinking on this issue. It is called "junior stock" which is equivalent to 1/10 of a regular share of stock and can be given by either a publicly or privately held company. In this type of plan, the manager is given the option of buying (or being awarded) junior shares with the idea of converting them into full shares at some future date. (Junior shares carry little rights and are non-voting. Check with your counsel about the details.) What triggers (or allows) the junior stock to be converted into senior stock is the attainment of some goal or goals of the company. When a long-term objective is met, the manager (who has played a part in achieving the goal) is rewarded. The company then repurchases the full shares which have gone up in value during the time they were held.

Why do this? Kordus says that there is an enormous tax advantage to the manager. Because of the capital gains involved the tax rate is only 50%.

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Cost-Effective Executive Compensation

The way to understand how effectively top management is being compensated is to gather as much data as possible on what others are doing. The Research Institute of America annually reviews executive compensation in the 137 page *Planning Report.*

For 1983, the Report details 15 pages on wholesale distribution. RIA breaks out compensation for the three highest paid executives in the company, and the top paid in production/operations, marketing/sales, and financial/accounting. They further break this down in company sales volume categories of: under $2.5 million; $2.5-$5 million; $5-$10 million; $10-$25 million; and, over $25 million. It also shows data on durable and non-durable goods individually.

Generally, chief executives' average total compensation rose 10% in the past year. But by specific company size, the following was true:

Under $2.5 million	-6%
$2.5 - $5 million	+18%
$5 - $10 million	+3%
$10 - $25 million	-4%
$25M million	+6%

Managing those receiving the highest compensation in the company may be a more complex task than even installing a brand new sales compensation scheme. (The Report titled *Executive Compensation* is available through NPTA's Communications Department at $50.00.)

Cost-effectiveness in all compensation plans will prove to be a useful direction in the 80's. Not only will it suit the person to the job better, but it will give companies a better understanding of the business challenges ahead.

Compensation is important to the motivation of all employees. Well managed and compensated employees translates into an improved profit picture for the company.

Cost-Effective Hiring

Choosing the **right** person to fill a job opening can be the most cost-effective move your company can make. Paper merchants often feel "lucky" when they find a good employee. "Luck," states NPTA's new personnel guide, should have nothing to do with it.

According to the **Paper Merchant's Guide to Personnel Selection and Evaluation**, a comprehensive approach is the best approach. A personnel "system" will ensure that the proper legal requirements are followed. Costly mistakes can be avoided.

How do you know that your new hire will be a good fit? Use a good assessment tool like the one included with the guide which measures six mental aptitudes and ten personality dimensions. For hiring practices to be cost-effective, gain as much information on a candidate before he or she is hired and trained.

Does your company have and use an employee handbook? Such practice saves much management time and money in explaining company policies which affect employees. A "model" handbook is included in the **Paper Merchant's Guide to Personnel Selection and Evaluation** (available from NPTA at $85.00).

What's Ahead?

Better marketing, new forms of competition, more cost-efficient distribution techniques, better inventory management, and incentive systems for inside sales personnel as well as warehouse people are to come says Walter L. Moore, Past Chairman of NPTA, and President and CEO of Unijax, Inc. In his keynote address to the industry at the NPTA Annual Convention, Moore said that many of "these are not common now but will be by 1990 in my opinion. All of this results in increased productivity which should help us all." And that, from a cost-effectiveness of view, is the bottom line. MN